

REQUEST FOR QUALIFICATIONS

Audit Services

February 2021

Lewis and Clark County (County) invites qualified independent auditors (Auditors), licensed to practice in the State of Montana, authorized by the Montana Department of Administration to audit local government entities, and having sufficient governmental and auditing experience in accordance with the specifications outlined in this Request for Qualifications (RFQ).

The County will review submitted Statement of Qualifications (Response) according to the criteria contained within this request. The award will be made to the most qualified candidate whose Response is deemed most advantageous to the County; all factors considered. Unsuccessful candidates will be notified immediately after the selection process is completed. Responses that are deemed incomplete by the selection committee will not be processed.

The County reserves the right to reject any and all Responses deemed unqualified, unsatisfactory, inappropriate, or incomplete. Responses become the property of the County. The County is not responsible for paying costs associated with preparing a Response.

Introduction

Lewis and Clark County was established as a commission form of government in 1915. The County offices are in Helena, the State Capitol and County Seat. The County has a land area of approximately 3,513 square miles and a population of approximately 70,183. The population of the County is predominately urban with most of the residents within a twenty-mile radius of Helena. The County government is comprised of a three-member commission, elected at large, with each member serving a staggered six-year term. There are seven elected county officials that serve four-year terms.

The total budget for the County in fiscal year 2020-2021 was \$91.5 million. The budget structure incorporates 74 funds, including governmental, proprietary and one permanent fund. Appropriations are made at the category level by fund. The budgetary system is fully integrated with the financial accounting system. The County's budget structure includes a General Fund, 49 special revenue funds, six (6) capital projects funds, six (6) debt service funds, six (6) enterprise funds and seven (7) internal service funds.

The County reports the following major governmental funds: General Fund, Public Safety, Capital Development, Rural Special Improvement District, Special Assessment Districts, Detention Center Remodel, and Road/Bridge Infrastructure. The County reports the following major proprietary funds: County Landfill and Fairgrounds.

The County's FY 20-21 Adopted Budget and the County's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2020 may be obtained from the County's Accounting Manager at 316 N Park, Helena MT, 59623, 406-447-8307. The CAFR is also available on the County's website at www.lccountymt.gov.

Accounting Records

The computerized budget and accounting records are processed on an IBM iSeries computer using cloud

based CentralSquare HTE's government accounting software. The HTE modules used by the County include GMBA (Accounting), Payroll, Cash Receipts, Purchasing/Inventory, and Capital Assets (Asset Management). The financial system uses both online real-time entry and batch processing. System development and improvements are provided by CentralSquare HTE.

- In addition to the County's primary accounting system, several departments use either third party vendor software or internally developed software for their operations. Property tax, motor vehicle, and environmental health software are integrated with the primary accounting system.

Additional information regarding historical and current operations and procedures can be made available for review if it is determined to be integral to the preparation of the requested Responses as defined below.

Scope of Work

1. The audit will encompass a financial and compliance examination of the County's CAFR, in accordance with, the laws and/or regulations of the State of Montana, which include requirements for the minimum scope of the audit. The CAFR includes the basic financial statements, required and other supplementary information and compliance reports and will be prepared in accordance with generally accepted accounting principles (GAAP). The financial and compliance audit will cover federal, state, and local funding sources in accordance with the following:
 - Generally accepted auditing standards
 - Government Auditing Standards
 - The provisions of the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance")
 - Applicable federal and state laws and regulations.

The County is responsible for balancing all accounts at year-end and presenting the Auditors with a fully prepared preliminary CAFR. The County will furnish work papers in conjunction with the audit engagement. Reasonable effort will be made by County staff to provide documentation electronically when possible.

2. There have been and will continue to be significant changes to the accounting and auditing standards that need to be implemented each fiscal year. The Auditor should be familiar with and prepared to advise County staff on how best to implement both current and proposed Governmental Accounting Standards Board (GASB) Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not necessarily include any task that entails significant research or a formal report.
3. The planning phase of the audit engagement may commence upon notification to the Auditor of acceptance of their Response. The Auditor shall meet with the Finance Director and Accounting Manager prior to the commencement of each yearly audit to discuss the Auditor's planned approach to the audit and to provide a list of schedules to be prepared by County personnel prior to the beginning of fieldwork. It is expected that interim fieldwork would be performed in August or September with the final phase of fieldwork commencing in October.

4. Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue:
 - a) A report on the fair presentation of the financial statements, in all material aspects, in conformity with generally accepted accounting principles.
 - b) A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
 - c) A report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
 - d) A Schedule of Findings and Questioned Costs.
5. On a rotating basis, the Auditor shall examine a minimum of three cash collection points at the County each year (not including the Accounting Division which should be reviewed annually as part of the audit). The County reserves the right to specify the locations to be reviewed but will consider input from the Auditor. The purpose of such examination will be to review specific internal controls as well as to determine, for a discrete period of time, that collections appear to be accounted for properly and the risk of fraud is low based on the internal controls reviewed. The examination will include but not be limited to reviewing staff prepared reconciliations of onsite cash and/or funds staff is responsible for, including a reconciliation to the County general ledger. A brief report describing the work performed and any findings or concerns will be prepared and provided to the Accounting Manager.
6. Each annual audit will include written recommendations made to management which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance or other matters that come to the attention of the auditors during the examination. This management letter shall be provided in draft form prior to final publication of the CAFR and discussed with the Finance Director and Accounting Manager.
7. The audit fieldwork must be completed during the months following the completion of the preliminary draft of the County's CAFR. The County expects to have a preliminary draft of the CAFR by approximately the end of the second week in October. Final review and reports for the County's CAFR must be rendered no later than November 30 or shall be subject to penalty.
8. Each year the Auditor will complete requirements on behalf of the County with the State of Montana, Department of Administration, Local Government Services Bureau and the Federal Audit Clearinghouse at the conclusion of the audit. In the event the County requests an extension of the filing date of these reports and such extension is granted, the due date for the final reports is one month prior to such extended due date.
9. The County has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for last 24 years. The County submitted its CAFR for fiscal year 2020. The Auditor will assist the County with implementing comments and suggestions provided to the County with the Summary of Grading Results on the Certificate of Achievement Program for its CAFR and review the County's required responses to the GFOA.
10. An exit conference is required of the Auditor upon completion of fieldwork with the Finance Director, County Treasurer, and the Accounting Manager to inform them of pertinent findings.
11. A formal presentation of the report by the Auditor to the BOCC and Chief Administrative Officer

(CAO) will be required.

12. The working papers shall be retained, at the Auditor's expense, and made available upon request by the County or any cognizant agency for no less than five years from the date of the audit report.

Project Period

The project period for providing professional audit services is for 3 fiscal years ending June 30, 2021, June 30, 2022, June 30, 2023. The contract may be renewed for 4 subsequent fiscal years ending in 2024, 2025, 2026 and 2027 upon successful negotiations with the Finance Director. Should the successful audit firm fail to materially perform its duties to the standards contained in this RFQ, the County reserves the unilateral right to terminate the remaining term of the engagement.

Response Submittal and Content:

Auditors will submit five (5) copies of their Responses to the County no later than Thursday, February 11, 2021 at 3:00 p.m. Please provide a cover letter and executive summary with the Response. The Response shall include the following information:

1. Describe how the firm believes that it would be qualified to complete the project as defined in the Scope of Work.
2. Demonstrate the firm's competence and experience on the following topics. Limited to one double-space page per topic and provide references for similar work performed.
 - a. Current and recent government audit clients indicating the type(s) of services performed and the number of years served for each. Please include past performance and experience with entities of similar size and structure.
 - b. Firm's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review including management letter and responses, if any. Indicate whether review included government engagements.
 - c. Professional independence standards.
 - d. Ability and willingness to meet time requirements.
 - e. Description of what work will be completed on-site and/or remotely.
3. Provide qualifications of the audit team (in resume format) and their respective experience. Resumes are limited to 1 page, front and back, per person.

All costs associated with the preparation of these Responses and any subsequent presentations are borne by the Auditor. All Responses, reports, information, data, and other materials prepared by the Auditor pursuant to this request are the property of the County, which has the exclusive and unrestricted authority to release, publish, or otherwise use, in whole or part, information relating thereto. Any reuse without written verification of adaptation by the Auditor for the specific purpose intended will be at the County's sole risk and without liability or legal exposure to the Auditor. No material produced in whole or in part under this request may be copyrighted or patented in the United States or any other country without the prior written approval of the County.

Unnecessary elaborate Responses beyond that which is sufficient to present a complete and responsive Response are not desired and may be construed as an indication of the Auditor's lack of cost-consciousness as well as a disregard for the County's review time. Elaborate artwork and expensive paper and bindings, expensive visual, or other presentations are neither necessary nor desired.

Before submitting a Response, Auditor shall carefully read all sections of this Request for Qualifications and shall fully inform themselves as to the existing conditions and limitations, which may impact their ability to perform. Auditors may submit questions via email to speets@lccountymt.gov by 5:00 p.m., Thursday, February 18, 2021. Questions will be answered by 5:00 p.m., Friday, February 19, 2021 and posted on the County website. Auditors interested in submitting a Response should notify Sherry Peets, Accounting Manager, of their interest to ensure all clarifications reach them. Any questions received after the exact time specified for receipt will not be answered.

Responses must be submitted in a sealed envelope marked "Audit Services Response" by 3:00 p.m. on Tuesday, February 23, 2021 to:

Lewis and Clark County Board of County Commissioners
316 N Park Ave., Room 345
Helena, Montana, 59623

The County will review each Response and reserves the right to accept or reject any or all Responses, wholly or in part, in a manner deemed in the best interest of the County. The County will follow up with each Auditor and may request an interview.

Response Evaluation –

The factors listed below will be considered in the evaluation of the Auditor's Response. The Response shall give clear, concise information in sufficient detail to allow evaluation based on these factors. Although some of the factors listed below will be weighted more heavily than others, all factors are considered necessary for evaluation of technical acceptability and competence. An Auditor must, therefore, be technically acceptable in all areas to be eligible for an award of a contract. Based upon initial evaluation, Auditors considered technically acceptable may be invited to make an oral presentation to the County prior to selection of an Auditor for award.

1. Qualifications of Professional Personnel to be Assigned to the Project (35 points) – Response demonstrates experience of key personnel assigned to work on this project as it relates to governmental auditing. The response should clearly demonstrate knowledge of applicable laws, regulations, as well as accounting and auditing standards.
2. Specialized Experience and Technical Competence (35 points) – Response demonstrates recent experience with audits of similar size, scope and complexity. Response details all experience that specifically applies to this Scope of Work. The response demonstrates the breadth and depth of the firm's experience in the performance of comparable projects. This section shall also demonstrate the capability of the firm to meet time and project budget requirements.
3. Organization structure (25 points) – Response shows firm is staffed with qualified and experienced personnel. Response demonstrates team has previously worked together on similar projects and provides the location of the office providing services for this contract, and the location of the main office if different. This section shall also define the present and projected

workload of the firm.

4. Recent and Current Work for the County (*5 points*) – Response describes current or previous work for the County.
5. Interviews – The County reserves the right to interview Auditor's offering a Response in order to assist in the evaluation process. Interviews will be granted to the top two (2) firms, only, if the point spread from the Response is narrow.

Selection for Award

Any Response which does not comply with the requirement of this Request for Qualifications may be considered non-conforming and ineligible for consideration. Failure to comply with technical requirements and failure to submit required information will be cause for finding a Response to be non-conforming.

The Auditor selected for negotiation of a contract will have demonstrated competence and professional qualifications necessary for satisfactory performance of the required Scope of Work.

Schedule

RFQ Advertised	Sundays, February 7 and 14, 2021
Questions Due By or Before	Thursday, February 18, 2021 by 5:00 p.m.
Response Submittal Deadline	Tuesday, February 23, 2021 by 3:00 p.m.
Response Review by Committee	Thursday, February 25, 2021 at 1:00 p.m.
Tentative Interview Date	Thursday, March 4, 2021
Candidates Notified of Selection	Wednesday, March 10, 2021

RFP - Audit Services Exhibit A

Authorized Signature and Notarization

I, the undersigned, an authorized representative of _____, whose address is _____ "have read and thoroughly understand the specifications, instructions and all other conditions of the RFQ - Audit Services issued by Lewis and Clark County for Audit Services for the fiscal years ended June 30, 2021-2023.

Acting on behalf of my accounting firm, which is listed above, I do attest that the services offered by us meet Lewis and Clark County's specifications in every respect (check one)
_____ without exception / _____ with exception. (please note exception below)

We, therefore, offer to make a bid to furnish Lewis and Clark County the audit services detailed in this Response.

Date: _____

Signature: _____

Printed Name: _____

Title: _____